

April 2009

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CONTACT US

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315-471-9393 Phone
315-471-9288 Fax

Albany

1 Computer Drive South
Albany, NY 12205
518-446-1118 Phone
518-446-1228 Fax

Elmira

333 E. Water Street
Elmira, NY 14901
607-734-8130 Phone
607-733-4656 Fax

ONLINE

<http://www.sba.gov/localresources/district/ny/syracuse/index.html>

Comments regarding the newsletter are always welcome.

Contact Virginia Smith at virginia.smith@sba.gov or 315-471-9393 ext. 250.

All SBA programs and services are provided on a nondiscriminatory basis.

American Recovery & Reinvestment Act of 2009 SBA Modifications

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Included in the Recovery Act were Section 501 authorizing SBA to reduce or eliminate certain fees on 7(a) and 504 loans and Section 502 authorizing SBA to guaranty up to 90 percent of a 7(a) loans except for those approved under the SBAExpress Program.

On March 16, 2009, SBA issued two policy notices, 5000-1097 and 5000-1098 regarding implementation of the fee elimination and 90% guaranty increase.

Fee Eliminations

7(a) Loan Guaranty Fee Eliminations: For 7(a) loans approved by SBA on or after February 17, 2009, SBA will temporarily eliminate the upfront guaranty fees for all eligible loans, including those made with a 90% SBA guaranty. For eligible loans approved between February 17, 2009 and March 16, 2009, SBA will make funds available to refund payments for these fees. SBA expects to be able to begin issuing refunds by approximately May 1, 2009. If borrowers have already paid lenders for the fee on eligible loans, lenders must reimburse the borrowers from the SBA refund.

Please note: the on-going monthly servicing fee continues to apply as does the 1/4 point guaranty fee for loans with maturities of 12 months or less.

504 Development Company Program Fee

Eliminations: For eligible loans approved through the Section 504 Development Company Program on or after February 17, 2009, SBA will temporarily eliminate two program fees: 1) Third-Party Participation Fees; and 2) CDC Processing Fees. Consistent with the Recovery Act's temporary elimination of CDC Processing Fees, CDCs will no longer be allowed to collect deposits from small business applicants that would have gone towards payment of the CDC Processing Fee upon loan approval. SBA will reimburse the CDCs for the waived CDC Processing Fees.

SBA will pay CDCs two-thirds of the estimated CDC processing Fee at the time of loan approval by SBA or upon the issuance of a loan number for a loan approval under the Premier Certified Lenders Program. The remainder of the fee will be paid immediately following the debenture funding and will be equal to 1.5% of net debenture proceeds for which a CDC does not collect the CDC processing fee, minus the amount previously paid. If a borrower has already paid a CDC for the fee, the CDC must reimburse the borrower from the SBA refund.

SBA will not permit CDCs to cancel loans approved by SBA prior to February 17, 2009 and resubmit them in order to qualify for the reimbursement of the processing fee. If the Participation Fee has already been paid to SBA on an eligible loan, SBA will refund the fee.

Guaranty Fee Percentage

SBA is authorized to guarantee up to 90 percent of all 7(a) loans except for SBAExpress. Lenders should note that they **must specifically request** a 90% guaranty. The guaranty increase applies to loans approved **after** March 16, 2009.

The Recovery Act did not change the maximum SBA guaranteed amount which remains at \$1,500,000. Therefore, for those loan programs that have a maximum loan amount greater than \$500,000 (Standard 7(a), CLP, and PLP), in order for the loan to receive a 90 percent guaranty, the loan amount cannot exceed \$1,666,666.

For loans to borrowers with existing SBA-guaranteed loans, the new loan will also have a guaranty percentage less than 90 percent when necessary to comply with SBA's limitation of no more than \$1,500,000 in guaranteed amount to one borrower (including affiliates.)

There is no change to the submission process for 7(a) loans. E-tran submission is strongly encouraged for all loans processed under a lender's delegated authority.

Prohibition on Use of Funds

The Recovery Act states that none of the funds appropriated or otherwise made available in the Act may be used by any private entity for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. Further guidance will be issued on this subject in the near future.

Loans for these Recovery Act prohibited uses, lenders and CDCs may continue to submit applications in accordance with SOP 50 10-5(A) and all applicable fees will apply.

Additional Information

SBA will eliminate upfront guaranty fees, 504 Development Company Program Fees and increase guaranty percentages to 90% until the funds dedicated to these purposes have been exhausted. Depending on loan volume, SBA estimates that it will be able to continue these modifications through approximately December 31, 2009.

Refinance of Debt: Revolving Line of Credit

With the release of SOP 50-10(5)(A) on March 1, 2009, the refinance of lines of credit is now permitted, within specific guidelines. The SOP states refinance of debt is eligible for "revolving lines of credit (short or long term) where original lender is unwilling to renew line, or, applicant restructuring to obtain a lower rate or longer term."

As a reminder these specific guidelines regarding SBAExpress include:

- A lender may use SBAExpress to "refinance" another lenders' *line of credit* balance using SBAExpress into a new *a line of credit* (keep

it as a line - not a term out), given it meets one the tests set forth in the refinance of lines of credit policy.

- A lender may refinance its own non-SBA line of credit balance into a new, larger, SBAExpress line of credit, so long as it meets the rules for (1) refinance of same institution debt; and (2) one of the tests set forth for refinance of lines, and (3) lender does not establish a "preference" in favor of Lender, i.e. reduce its exposure.

Method of Guaranty Fee Payment

Lenders must submit SBA's guaranty fee either electronically or by check to SBA's Denver Finance Center. With the recent Fee Elimination section of the Recovery Act, the fee currently only applies to loans with maturities of less than 12 months.

The correct address for the Denver Finance Center is:

U.S. Small Business Administration
Denver Finance Center
Denver, CO 80259

However, please note SBA strongly encourages payment of all guaranty fees electronically through the Federal government's electronic payment website at

www.pay.gov

When using pay.gov, select "form type 1544" and select "guaranty." The loan must have been approved and an SBA loan number issued in order to use pay.gov

This website may be used for payment of other fees and general payments as well, including any payment received from the borrower after SBA loan purchase.

SAVE THE DATE: Lender Informational Sessions

SAVE THE DATE: The Syracuse District Office and its partners will hold informational sessions for SBA lenders at various sites in the District. Topics will include SBA changes as related to the Economic Stimulus Package and training directly related to modifications contained in the updated SOP 50 10-5(A). An email invitation flyer has been sent with additional information. Lenders may call the hosting partner directly to register. Please plan to attend one of these important events.

Date	Host	Registration Phone #	Location	Time
April 15, 2009	Albany SBDC	518-485-7647	Chamber, Albany	8:30 - 11:00 am
April 16, 2009	North Country SBDC	518-564-2042	SBDC, Plattsburgh	8:30 - 11:00 am
April 22, 2009	REDEC	607-962-3021	Hilton Garden Inn, Big Flats	8:30 - 11:00 am
April 29, 2009	SBDC @ SUNY IT	315-792-7547	SBDC, Utica	8:00 - 10:30 am
May 6, 2009	Binghamton SBDC	607-777-4024/4027	Town of Union Building, Endwell	8:30 - 11:00 am

S/RLA Loan Application Submittal

Lenders participating in the Small/Rural Lender's Advantage (S/RLA) loan program can submit their loan packages to either one of SBA's Standard 7A processing centers in Kentucky or California. Application documents are scanned into SBA's system and are electronically accessible at both centers and the package is assigned to loan officers at either center. However, it would be logical to send loan applications to the location geographically closest to the lender.

SBA recommends lenders do not submit loan packages by email to regular email addresses as it may become lost in cyberspace if the file is too large to be received. Also, lenders do not need to submit the package to anyone particular person's attention, but if they choose to do so, contacts include Sue Leamons in Hazard 606-436-0801 or Kristi Harris in Citrus Heights 916-735-1996.

Below are the three best options available to lenders to submit loan packages:

1. Send by overnight delivery to:

U.S. Small Business Administration
Standard 7(a) Loan Guaranty Processing Center
262 Black Gold Blvd
Hazard, KY 41701

or

6501 Sylvan Rd
Citrus Heights, CA 95610

2. Fax to:

606-435-2400 (Hazard)
or
916-735-1554 (Citrus Heights)

Please note that the Citrus Heights 1554 fax number allows information to be delivered electronically directly to the computer site.

3. Lenders may also submit packages electronically by uploading to SBA's lending website. Please visit www.sba.gov/aboutsba/sbaprograms/elending/lgpc/index.html and click open Submit 7(a) Loan Documents listed under Resources for instructions.

Lenders should refer to SBA's website for up-to-date information regarding the S/RLA loan program, at www.sba.gov/rurallenderadvantage and reference Forms 2301-A, B, and C under Resources at the bottom of the website page. There is a PowerPoint presentation regarding this program as well.

In addition, please disregard the submission instructions on the procedural notice as it was only used to initially implement the S/RLA loan program.

USCIS/INS Contact Information

To find the U.S. Citizenship and Immigration Services, USCIS/(INS) form G-845 or G-845S please visit www.uscis.gov and click on the "Immigration Forms" tab at the top of the webpage. On the website lenders will also find the most current mailing address as to where to send the completed forms.

As a reminder, USCIS has made available the following toll free number and e-mail address for information regarding submitted forms G-845 and G-845S:

1. **877-469-2563** – This is for status inquiries if a submitted Form G845, Verification Request has exceeded a processing time of 10 business

days. The 10 business days start at the date that USCIS receives the request, not the date mailed. If a lender includes return (prepaid) FedEx envelopes, USCIS will use them.

It is important that lenders do not resend (unless the 1-877 number indicates that USCIS does not have the request and asks that the lender resends) duplicate G-845 for verification as this will only bog down the system.

2. SAVE.Help@dhs.gov -- For USCIS policy questions (e.g., completion of the form, etc.), please contact the USCIS office by this email address. This is not to be used for status inquiries.

Syracuse SBA District - YTD FY09 by County
YTD - October 1, 2008 - March 31, 2009

	<u>504 Approvals</u>		<u>7(a) Approvals</u>		<u>Total 7(a) & 504</u>	
Albany	2	\$710,000	17	\$2,754,500	19	\$3,464,500
Broome	1	\$1,179,000	21	\$3,332,700	22	\$4,511,700
Cayuga	2	\$1,014,000	6	\$240,000	8	\$1,254,000
Chemung			9	\$1,805,400	9	\$1,805,400
Chenango			6	\$325,000	6	\$325,000
Clinton			7	\$1,092,600	7	\$1,092,600
Columbia	1	\$75,000	2	\$29,000	3	\$104,000
Cortland			4	\$1,488,200	4	\$1,488,200
Delaware						
Essex			2	\$50,000	2	\$50,000
Franklin			2	\$74,900	2	\$74,900
Fulton			2	\$1,570,000	2	\$1,570,000
Greene			1	\$150,000	1	\$150,000
Hamilton			3	\$120,000	3	\$120,000
Herkimer			2	\$146,500	2	\$146,500
Jefferson	1	\$249,000	13	\$1,089,400	14	\$1,328,400
Lewis						
Madison	1	\$631,000	4	\$145,000	5	\$776,000
Montgomery	1	\$119,000	1	\$10,000	2	\$129,000
Oneida	1	\$193,000	23	\$3,129,400	24	\$3,322,400
Onondaga	2	\$207,000	42	\$4,524,000	44	\$4,731,000
Oswego	3	\$288,000	16	\$1,751,618	19	\$2,039,618
Otsego			1	\$125,000	1	\$125,000
Rensselaer			13	\$4,072,100	13	\$4,072,100
Saint Lawrence			2	\$151,900	2	\$151,900
Saratoga	2	\$806,000	25	\$3,325,256	27	\$4,131,256
Schenectady	2	\$836,000	4	\$130,000	6	\$966,000
Schoharie	1	\$271,000			1	\$271,000
Schulyer						
Steuben			24	\$1,584,300	24	\$1,584,300
Tioga			4	\$159,000	4	\$159,000
Tompkins			5	\$1,977,230	5	\$1,977,230
Warren	1	\$1,944,000	6	\$774,100	7	\$2,718,100
Washington			2	\$293,000	2	\$293,000
YTD Total	21	\$8,522,000	269	\$36,410,104	290	\$44,932,104

Syracuse SBA District Approvals YTD FY09 (10/1/08-03/31/09)

by loan number

SBA 7(a) Loan Approvals

M&T Bank	49	\$6,461,000
Five Star Bank	21	\$995,700
New York Bus. Dev. Corp.	18	\$6,853,776
First Niagara Bank	18	\$698,000
Keybank	15	\$1,740,000
NBT Bank	12	\$1,157,000
Citizens Bank	12	\$310,200
Ballston Spa National Bank	10	\$787,700
Community Bank	9	\$529,200
HSBC Bank USA	9	\$420,000
Corning FCU	8	\$559,000
Watertown Savings Bank	8	\$547,000
The Adirondack Trust Co.	7	\$247,000
TD Bank	6	\$4,564,100
Solvay Bank	6	\$596,000
Superior Financial	6	\$47,500
Adirondack Bank	5	\$409,100
Pathfinder Bank	4	\$282,098
The Oneida Savings Bank	4	\$165,000
Glens Falls National Bank .	3	\$1,110,000
Alliance Bank	3	\$330,000
Legacy Banks	3	\$158,100
Empower FCU	3	\$110,000
Home Loan Invest. Bank	2	\$375,000
Chemung Canal Trust	2	\$287,230
Saratoga National Bank	2	\$285,000
Unity Bank	2	\$275,000
The Canandaigua National Bank	2	\$150,000
Trustco Bank	2	\$115,000
First National Bank of Scotia	2	\$75,000
Tompkins Trust Company	2	\$75,000
Bank of America	2	\$45,000
CFCU Community CU	1	\$1,400,700
Small Business Loan Source, LLC	1	\$1,046,000
Greylock FCU	1	\$950,000
CIT Small Business Lending Corp.	1	\$595,000

SBA 7(a) Loan Approvals

Community South Bank	1	\$552,000
Wells Fargo Bank	1	\$370,700
Berkshire Bank	1	\$300,000
Tioga State Bank	1	\$180,000
The National Union Bank of Kinderhook	1	\$150,000
Wilber National Bank	1	\$41,000
Citizens & Northern Bank	1	\$40,000
JPMorgan Chase Bank	1	\$25,000
7(a) Total	269	\$36,410,104

504 Loan Approvals

Empire State Cert. Dev. Corp.	13	\$6,585,000
Greater Syracuse Bus. Dev. Corp.	4	\$1,378,000
Operation Oswego County, Inc.	3	\$288,000
Long Island Dev. Corp.	1	\$271,000
Total 504 Loan Approvals	21	\$8,522,000

504 Third Party Lenders

First Niagara Bank	3	\$2,275,000
Community Bank	3	\$1,361,618
NBT Bank	2	\$1,650,000
Pathfinder Bank	2	\$236,510
Berkshire Bank	1	\$3,625,000
Oneida Savings Bank	1	\$780,000
The Bank of Bennington	1	\$355,000
Bank of America	1	\$325,000
NYBDC	1	\$270,000
Adirondack Bank	1	\$232,500
M&T Bank	1	\$172,500
Glens Falls National Bank	1	\$171,500
USNY Bank	1	\$145,000
Fulton Savings Bank	1	\$119,695
The Bank of Green County	1	\$100,000
21	\$11,819,323	

Total 7(a) and 504 Loan Approvals 290 \$44,932,104

Syracuse SBA District Approvals YTD FY09 (10/1/08-03/31/09) by dollar amount

SBA 7(a) Loan Approvals

New York Bus. Dev. Corp.	18	\$6,853,776
M&T Bank	49	\$6,461,000
TD Bank	6	\$4,564,100
Keybank	15	\$1,740,000
CFCU Community CU	1	\$1,400,700
NBT Bank	12	\$1,157,000
Glens Falls National Bank	3	\$1,110,000
Small Business Loan Source, LLC	1	\$1,046,000
Five Star Bank	21	\$995,700
Greylock FCU	1	\$950,000
Ballston Spa National Bank	10	\$787,700
First Niagara Bank	18	\$698,000
Solvay Bank	6	\$596,000
CIT Small Business Lending Corp.	1	\$595,000
Corning FCU	8	\$559,000
Community South Bank	1	\$552,000
Watertown Savings Bank	8	\$547,000
Community Bank	9	\$529,200
HSBC Bank USA	9	\$420,000
Adirondack Bank	5	\$409,100
Home Loan Investment Bank	2	\$375,000
Wells Fargo Bank	1	\$370,700
Alliance Bank	3	\$330,000
Citizens Bank	12	\$310,200
Berkshire Bank	1	\$300,000
Chemung Canal Trust	2	\$287,230
Saratoga National Bank	2	\$285,000
Pathfinder Bank	4	\$282,098
Unity Bank	2	\$275,000
The Adirondack Trust Company	7	\$247,000
Tioga State Bank	1	\$180,000
The Oneida Savings Bank	4	\$165,000
Legacy Banks	3	\$158,100
The Canandaigua National Bank	2	\$150,000
The National Union Bank of Kinderhook	1	\$150,000
Trustco Bank	2	\$115,000

SBA 7(a) Loan Approvals

Empower FCU	3	\$110,000
First National Bank of Scotia	2	\$75,000
Tompkins Trust Company	2	\$75,000
Superior Financial	6	\$47,500
Bank of America	2	\$45,000
Wilber National Bank	1	\$41,000
Citizens & Northern Bank	1	\$40,000
JPMorgan Chase Bank	1	\$25,000
7(a) Total	269	\$36,410,104

504 Loan Approvals

Empire State Cert. Dev. Corp.	13	\$6,585,000
Greater Syracuse Bus. Dev. Corp.	4	\$1,378,000
Operation Oswego County, Inc.	3	\$288,000
Long Island Dev. Corp.	1	\$271,000
Total 504 Loan Approvals	21	\$8,522,000

504 Third Party Lenders

Berkshire Bank	1	\$3,625,000
First Niagara Bank	3	\$2,275,000
NBT Bank	2	\$1,650,000
Community Bank	3	\$1,361,618
Oneida Savings Bank	1	\$780,000
The Bank of Bennington	1	\$355,000
Bank of America	1	\$325,000
NYBDC	1	\$270,000
Pathfinder Bank	2	\$236,510
Adirondack Bank	1	\$232,500
M&T Bank	1	\$172,500
Glens Falls National Bank	1	\$171,500
USNY Bank	1	\$145,000
Fulton Savings Bank	1	\$119,695
The Bank of Green County	1	\$100,000
	21	\$11,819,323

Total 7(a) and 504 Loan Approvals	290	\$44,932,104
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